

**ACTION REQUEST FORM**  
**Submitted for consideration by Robert Day**  
**Feb. 18<sup>th</sup>, 2006**

RECOMMENDATION:

That the Kansas Health Policy Authority Board draft a memorandum of understanding (MOU) with the Department of Administration (DofA) which would state that the DofA will provide basic administrative support services to the Division of Health Policy and Finance, including personnel, some legal, and health information functions.

RECOMMENDED EFFECTIVE DATE:

July 1, 2006

DATA TO SUPPORT RECOMMENDATION:

The Governor's budget for fiscal year 2007 proposed to delay for one year the assumption by the Authority of administrative responsibility for certain health care programs, and placed the Authority's budget for FY 2007 within the Division's budget. Since the January 17<sup>th</sup> Board meeting, the Senate Ways and Means committee has taken action to place the Authority's budget back in a separate agency, and also to include the Division's budget underneath the Authority's beginning July 1, 2006, as specified in the Authority's enacting legislation. The House is likely to follow suit in reverting to current law.

While the Board had initially discussed options to increase staffing levels in order to meet the demands of a new and independent agency and the new responsibilities outlined in the enacting legislation for data management, analysis and dissemination, we have come to realize the need for the Division to streamline and consolidate its work processes across various components of the agency before approaching the legislature with a specific request for additional funds to meet the legislated objectives. In addition, DofA has offered to continue to provide support functions that will make it unnecessary for us to request additional staff for the coming year.

We expect that in June we will develop an MOU with DofA for basic administrative support functions allowable under Federal guidelines for state Medicaid agencies.